

**Testimony
of
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**to the
House Committee on Financial Services**

**“Homeless in America: Examining the Crisis and Solutions to End Homelessness”
Hearing: February 13, 2019**

The National Alliance to End Homelessness (the Alliance) is a nonpartisan, mission-driven organization committed to preventing and ending homelessness in the United States. The Alliance analyzes policy and develops pragmatic, cost-effective policy solutions as we work collaboratively with the public, private, and nonprofit sectors to build state and local capacity to help homeless individuals and families make positive changes in their lives. We provide data and research to policymakers and elected officials in order to inform policy debates and educate the public and opinion leaders nationwide.

The Alliance is honored to be asked to appear before this Committee to discuss where we stand in the effort to end homelessness, what remains to be done, and the role of Congress in achieving the goal.

An overview of homelessness and its effects on people and communities

Size of the problem. There are a few sources of nationwide data showing the extent of homelessness. While none are perfect, together they provide a clear understanding that too many people in our country are experiencing homelessness, the worst form of housing crisis. An annual point-in-time count found that in 2018 over 550,000 people were sleeping each night on the streets or in shelters or temporary housing programs designed for homeless people. In the course of a year, 1.4 million people use federally-funded homeless assistance programs.

Patterns of experience. Homelessness is driven by the national shortage of affordable housing. People who have very low incomes, a disability, or weak social support networks may be vulnerable to homelessness if they experience an economic or other crisis. The types of crises that can lead to vulnerable people becoming homeless include eviction, job loss, injury or illness, and domestic violence, among others.

A substantial majority of people who become homeless do not stay homeless long. They enter emergency housing (shelter for example), find a new place to live, exit homelessness and do not return, or return only once. A smaller number, often people with chronic disabilities like mental illness or substance use disorders, stay homeless longer. The term “chronic homelessness” refers to this group, usually single adults but sometimes families. A similarly small number of people enters and exits homelessness repeatedly.

Some racial minorities are significantly over-represented in the homeless population, reflecting not only the disproportionality with which they experience poverty, but also racial inequity in feeder systems into homelessness including the criminal justice system, the child welfare system, the health care system, and others. While African Americans are 13 percent of the US population, 40 percent of people who are homeless are African American. Native Americans are less than one percent of the US population, yet they are almost three percent of the homeless population. Other groups over-represented in the homeless population include Hispanic and Latinx people, very young children, people with mental illness, transgender people, and those who are young and LGBTQ.

Effects on people experiencing homelessness. Homelessness is a dangerous and devastating experience for people experiencing it. It leads to worse physical and mental health and early death. People who are homeless are much more likely than others to become victims of crime. It creates long-term trauma. Particularly for young people, it can lead to depression, failure to attach to the labor market, and labor and sex trafficking. It disrupts the education of children, and makes it nearly impossible to secure employment.

Effects on other systems. Homelessness increases costs and undermines outcomes for health care, including behavioral health care -- housing instability and homelessness have been linked to increased risk of depression and mental illness for adults and children over their lifetimes. People who exit jail or prison and become homeless are more likely to recidivate than are people who exit to a home. Not only does homelessness impact children’s performance in school, that impeded performance can undercut overall school performance. Homelessness among families can make it difficult for child welfare systems to reunite children with their parents. Homelessness and lack of housing impedes the ability of other human and social services to achieve their goals.

What works to end homelessness

Homelessness is driven by the lack of housing that is affordable to people with very low incomes. As long as there is a multi-million-unit shortage of affordable housing, people who are poor will continue to experience homelessness. The homeless system is a crisis system. By itself it cannot eliminate the shortage of affordable housing or provide everything – education, employment, services, family support, treatment, health care, etc. -- that people need to achieve well-being. What it CAN do is help people quickly return to a home and connect them with supports so that they can begin or resume their paths to well-being. In that sense homeless assistance is like a hospital emergency room: it can triage people,

address their immediate crisis, and if emergency aid is not enough, put them in a position to receive more appropriate help.

The number of people who are homeless has gone down in the last ten years because – with the strong bipartisan support of Congress and the federal government across numerous Administrations – communities have gotten better at addressing the crisis of homelessness and getting people into housing and attached to services. More people have been entering the homeless system. But the number of people homeless at any given time has gone down because they are being returned to housing faster. If Congress were to fund proven crisis response solutions at the scale needed (as it has done for veterans through the Supportive Services for Veteran Families [SSVF] and HUD-VASH programs) the number of people who are homeless would go down substantially faster.

The key elements of this homeless system are as follows.

Outreach. Forty-eight percent of homeless people are unsheltered. They live on the streets, in cars or vans, in abandoned buildings, and in other places not meant for human habitation. Outreach programs scour communities to find people who are unsheltered and ensure their safety. Increasingly, effective outreach efforts are those that go beyond this, locate and assess all those unsheltered, and work to get them not only into shelter, but sometimes directly into housing.

Diversion. Increasingly, when people request shelter, staff members work to help them find other, more supportive and safe alternatives. This may include returning to the place they lived previously (many entries into shelter are precipitated by disagreements with family or roommates and can be resolved relatively quickly and safely), sharing housing with a friend, or quickly renting a new apartment. Avoiding a shelter stay is better for the people experiencing a crisis, and is cost-effective.

Low-barrier, supportive, housing-focused shelter. While every shelter does not have to be the same, the most successful shelters have removed many of the common barriers to entry. They allow people to enter with their possessions, partners, and pets. They reduce the requirements and rules so that people have more agency and the environment is not enforcement- and rule-oriented. And they focus on being supportive and helping people return to a previous housing situation or find a new one.

Housing and connection to services. Several housing strategies have excellent outcomes. Permanent Supportive Housing (subsidized housing with services) works well for people with chronic health or behavioral health problems. Rapid re-housing (short term rental assistance coupled with housing navigation and services to help people secure jobs and keep their housing) is effective for many people as well. Critical Time Intervention is an evidence-based practice that helps people exiting homelessness connect to services and supports in the community. Full rental subsidy such as Section 8 Housing Choice Vouchers, if available to everyone, would essentially eliminate homelessness, which as mentioned is a housing affordability problem. However, it is not available to everyone.

Supporting this crisis response is largely the work of targeted homelessness programs: the Continuum of Care and the Emergency Solutions Grants at HUD, as well as targeted homelessness programs at the Departments of Veterans Affairs, Health and Human Services, and Labor. The homeless programs are largely effective, but they are not funded to scale.

Housing to prevent and end homelessness

The homelessness crisis response system can at best make homelessness a brief experience. To prevent people from becoming homeless, a broader commitment to housing that is affordable is necessary. An agenda for achieving this has been laid out by the Opportunity Starts at Home campaign, of which the Alliance is a founding member. It includes rent subsidies for anyone who needs them; investment in building more affordable housing; and short-term crisis assistance for people whose housing stability is threatened.

Recently, there have been legislative proposals to address the shortage of housing that is affordable to the lowest income people. The Ending Homelessness Act, discussed below, would provide substantial new resources for housing, in addition to its provisions funding homeless services. Other bills introduced in the last Congress included substantial increases in rent subsidies, and improvements to federal programs that provide for additional development of affordable housing stock. The National Alliance to End Homelessness supports those proposals that address the needs of very low-income people.

Current policy challenges

People who are unsheltered. As stated, 35 percent of people who are homeless are unsheltered. However, nearly half (48 percent) of homeless individuals are unsheltered. While the homelessness experience of unsheltered people is not well understood, there is some information emerging on their characteristics in comparison to those of people in shelters. Most are male and white. Many have been homeless for longer periods of time than people in shelter. They appear to be much more disabled – a factor which may have caused their homelessness or resulted from it. They are at least twice as likely to have had contact with police or to have been to a hospital emergency room. West Coast cities have a high percentage of unsheltered people. Our nation is allowing a lot of extraordinarily vulnerable people to live outside. This is a crisis that must be addressed.

Challenges to the Housing First approach. Fundamentally, the Housing First approach is based on the understanding that it makes more sense and works much better to get homeless people into a stable home where they can take on challenges such as addiction, poverty and mental illness rather than require them to address their vulnerabilities while they are homeless. Housing First recognizes that addressing these challenges can take a long time and is a path that may include many failures along with its successes. The core principles of Housing First were first adopted by the George W. Bush Administration through its commitment to end chronic

homelessness, and since then Housing First has been a major contributor to reductions in homelessness. Its newer iteration, for people whose homelessness is more economic in nature, is rapid re-housing, which has already shown that once housed, the majority of people are successful at getting jobs and staying housed.

Every homeless program does not have to take a Housing First approach. However, if none do, people who have the most serious disabilities and challenges will end up back on the street – or never leave it. Apparently there is discussion within the federal agencies about allowing a Housing First approach as people enter programs, but requiring that they demonstrate change (presumably sobriety, compliance with mental health services, work) to receive assistance once they are in the programs. People who receive assistance do have responsibilities, and homeless programs that are successful, as most are, incorporate that responsibility into their work. But we must be careful not to return people to homelessness because they are unable to achieve a level of progress that is judged to be sufficient. The Housing First approach should be supported and continued.

Racial disproportionality and disparity. African Americans, Native Americans and increasingly Hispanic and Latinx people are disproportionately homeless. The homeless system, itself, cannot solve all the problems that lead to this disproportionality, but it can work with mainstream feeder systems such as criminal justice and child welfare to address it. And the homeless system can look at itself to ensure that it does not treat people of different races differently, and that its outcomes are the same for everyone. HUD has given communities a way to do this by incentivizing them to examine their data for disparities and plan to remediate any they find. The Alliance and many other organizations, national and local, are working to assist communities to respond, and take the next steps. This critical work must continue.

Aging. Homeless people are getting older along with the entire US population. As with the rest of the population, their aging comes with increased health care costs. However, in this case, because homelessness increases poor health, these costs are exacerbated. Add to this the fact that homeless people's physical age is different than their chronological age: in effect they become "elderly" at age 50, but are not eligible for senior benefits at that age. The number of older homeless people is expanding and will do so exponentially over the coming years. The homeless programs must adjust accordingly by improving access to health care for older people. And policymakers should explore providing housing subsidies to older homeless people. Such subsidies would more than pay for themselves in savings from nursing home and other expensive health care interventions.

Definition of homelessness. There has been much discussion and numerous efforts over the past years to expand HUD's definition of "homeless" to be the same as the Department of Education's much broader definition. The Education definition encompasses people who are literally homeless and also those doubled up with others for economic reasons. HUD's

definition encompasses people who are literally homeless, but only those doubled-up people who have to leave imminently, or whose safety is threatened. The majority of people who are doubled up for economic reasons (per the Education definition) have a housing affordability problem – they double up to AVOID becoming homeless. They need housing assistance, not a shelter bed. The Education definition makes sense for the services that the Department provides, but not for the shelter and housing help HUD has on offer. The HUD definition should not be altered.

Accessing resources not targeted to homelessness. Much of what homeless people ultimately require to achieve well-being is not available through the homeless system, but rather through “mainstream” systems such as Temporary Assistance to Needy Families (TANF) for employment services, home visiting for parenting support, Substance Abuse and Mental Health Block Grants for treatment, and Section 8 Housing Choice Vouchers for housing. We urge Congress to seek ways to incentivize the various Departments of the federal government to work together more productively (as HUD and VA have done for the veteran housing program) to meet the needs of vulnerable homeless families, individuals and youth.

The U.S. Interagency Council on Homelessness (USICH). USICH is the only agency at the federal level with the sole responsibility of ending homelessness, and it pursues that goal by coordinating the federal agencies behind key strategies and assisting states and localities to employ best practices. Its budget (less than \$4 million) is a prudent investment to achieve the coordination of 19 federal agencies spending over \$6 billion to address homelessness. The original legislation to establish USICH included a sunset date for the Council, and on-going uncertainty about its existence impedes its continued effectiveness. USICH should be permanently authorized and adequately funded.

The Continuum of Care program is essential. HUD’s Continuum of Care program provides communities with approximately \$2 billion a year for their homeless system. It is a competitive program that incentivizes communities to achieve outcomes and reduce homelessness by using strategies that work such as rapid re-housing, permanent supportive housing, Housing First and coordination. Strengthening this role is an important consideration for the future and the Alliance recommends an appropriation of \$3 billion in 2020 for Homeless Assistance, the appropriations account that includes the Continuum of Care and the Emergency Solutions Grant program, which supports shelter and other important crisis activities.

Proposed legislation

There are several pieces of legislation that are being considered or discussed in this Committee and that would address some of these issues with respect to homelessness. While the bills are at various stages and have not yet been introduced, the Alliance's preliminary assessments are below.

- HR___: The Ending Homelessness Act of 2019 introduced by Chairman Waters. This bill would provide \$13.27 billion for a variety of housing and homelessness activities with the goal of ending homelessness. **The Alliance is supportive of this bill.**
- Working Together to End Homelessness Act of 2019. Discussion Draft from Chairman Waters. This bill would permanently reauthorize the US Interagency Council on Homelessness. **The Alliance is supportive of this bill.**
- Homes for Our Heroes Act of 2019. Discussion draft from Rep. Peters. This bill would improve the HUD-VASH program. **The Alliance is supportive.**
- Veteran Housing Opportunity and Employment Support Extension Act of 2019. This bill would require more information on the HUD-VASH program. **The Alliance is supportive.**

RECOMMENDATIONS

Homelessness is a complicated problem and homeless people have a variety of needs including for health care, employment, treatment, support and more. But the one thing that ends people's homelessness is housing. Without housing, no matter what other assistance they may have received, people will still be homeless. With housing, no matter what help they may still need, they will not be homeless.

Homeless people should be returned to housing as rapidly as possible and connected to any other services they need. Congress should support this to-scale with tailored rental assistance, short term crisis services, and connection to longer term supports if needed. It should support enough crisis shelter that no one need be unsheltered. Of course this is also the responsibility of local and state jurisdictions and federal support should be linked to those governments' use of best practices and their achievement of outcomes. In particular, racial disproportionality in the experience of homelessness should be addressed by local homeless programs working together to ensure that there are no racial disparities in entries into homeless programs, exits from them into housing, or returns to homelessness.

The Alliance is supportive of the direction of the bills described above and in particular notes the intention of Chairman Waters' Ending Homelessness Act to go to scale in solving the problem. Without a significant national effort to reduce the seven-million-unit shortage of affordable housing, vulnerable residents of our nation will continue to experience homelessness at great human, social and economic cost to them and to society. This need not happen in a country like ours.

Thank you to the Committee for holding this important hearing and for inviting the National Alliance to End Homelessness to contribute to it.